

Time and Effort Reporting

Frequently Asked Questions

Q: What is “Time and Effort” Reporting?

A: Federal regulation requires that any salaries and benefits charged to a federal award(s) must be based on documentation that meets the following criteria in order to be allowable charges to the awards(s):

- The employee’s time must be documented in writing.
- The documentation should reflect the actual time spent by the employee on activities of the federal program(s) being charged.
- The period covered by the documentation may not exceed one month unless an approved substitute system is in place.
- The documentation should account for all of the employee's time for the period covered (including state/local activities).
- The documentation should be signed by the employee and the employee’s supervisor.

This requirement applies to all federal awards and subawards, including those received directly from the federal government, unless specifically exempted by the Office of Management and Budget (OMB).

Q: What is the SDE’s responsibility for time and effort reporting by school districts?

A: As a state agency that subawards federal funds to school districts, SDE is responsible for:

- Providing guidance on time and effort requirements.
- Providing technical assistance on implementing a time and effort system that meets federal requirements.
- Monitoring the districts’ compliance with time and effort requirements.
- Reviewing and approving district applications for substitute time and effort systems.

Q: How do I know whether or not I should prepare time and effort reports?

A: Time and effort reports should be prepared by any certificated and classified staff with salary and benefits that are charged:

- Directly to a federal award
- Directly to multiple federal awards.
- Directly to any combination of a federal award and other federal, state, or local fund sources.

Q: What determines whether an employee reports monthly or semi-annually?

A: If your salary and benefits are charged directly to a single federal award or to a single cost objective, you may report time and effort semi-annually, referred to in the federal regulations as “Semi-Annual Certification.” However, district policy may require employees to report monthly.

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Q: What is a “single cost objective”?

A: A single cost objective is a single work activity that may be funded by one or more fund sources. Single cost objectives include:

- A single federal grant award
- A combination of federal Special Education and state Special Education Program funds.

Q: Is T&E documentation required for staff working in a school building that has a schoolwide program in place?

A: No & Yes

No, time and effort documentation is required for staff who are charged solely to federal/state/local funds that have been combined in a schoolwide program.

Yes, for any building employee(s) charged, in whole or in part, to federal/state/local programs that have not been combined in the schoolwide program.

- For any employee charged to multiple federal funds and state/local funds, all funds that have been combined in the schoolwide program may be documented as a single-cost objective, “Schoolwide Program,” with non-combined funds being recorded as separate cost objective(s).
- US Dept of Education Schoolwide Program Guidance directs that “an LEA must be able to show the amount of funds from each federal education program for each grant year that the LEA allocated to a schoolwide program.” This guidance can be found at: www.ed.gov/legislation/ESEA/Title_I/swpguid1.html
- This documentation will serve as a basis for determining which employees in a schoolwide program building are subject to OMB Circular A-87 requirements regarding time and effort reporting.

Q: Is time and effort required for stipends, supplemental contracts, and/or extra hours?

A: Yes

- Sign-in/attendance logs may be used as time and effort documentation for extra hour pay related to a single cost objective (e.g., pay for math/science training charged to Title II Eisenhower Award).
- A signed supplemental contract that stipulates a specific single cost objective duty/assignment may be used as time and effort documentation (e.g., pay for supplemental, after school reading instruction charged to Title I, Part A).
- A stipend for performing a specific single cost objective responsibility may be used as time and effort documentation so long as the employee signs either the stipend or an after-the-fact certification of performance (e.g., pay for supervision of a particular federal program charged to that program).

- Multiple cost objective supplemental contracts/stipends must be supported by time and effort reports documenting actual time spent on each objective (e.g., pay for a supplemental contract to administer a summer school program serving Title I and Special Ed eligible students may be charged to Title I and Special Ed only if supported by a time and effort report).

Q: Can administrators charge time to federal programs?

A: Yes and No.

- Federal program directors can do so as long as they maintain monthly time and effort documentation supporting actual time charged to each federal and state program under their supervision.
- Chief Executive Officials are considered a general government cost and generally may not charge time to federal awards (pursuant to the supplement, not supplant provision). The only exception to this rule is when any such official has specific program administration or direct student service duties and documents actual time spent in the performance of those duties by completing monthly time and effort records.

Q: Who are chief executive officials?

A: Chief executive officials are:

- Superintendents
- Assistant Superintendents
- Building Principals
- Assistant Building Principals
- Support staff for those listed above

Q: Who has to approve (sign) my time and effort report?

A: Time and effort reports must be signed by the employee and a supervisor with knowledge of the employee's daily activities.

Q: What is a “substitute system” ?

A: Federal guidance allows grantees and subgrantees subject to time and effort requirements the option of developing substitute time and effort systems. A substitute time and effort system is simply a methodology whereby time and effort for multiple cost objective staff is allocated to each objective rather than being a record of actual time spent on each objective.

Examples of some statistically sound sampling systems are:

- Allocation of time proportionate to fixed student counts (blended class periods)
- Allocation of time proportionate to fixed staff schedule (no blended class periods)
- Allocation of time proportionate to eligible student counts during each daily class period aggregated over a five day sampling each month (frequent changes in class period enrollments of eligible students and/or frequent schedule changes).

Substitute systems must be approved by the grantor agency before they can be used.

Q: Has the reauthorization of the Elementary and Secondary Education Act affected time and effort requirements?

A: No, time and effort reporting is a government-wide requirement by OMB. Any legislation with the purpose of reauthorizing education programs will not affect OMB allowable cost circulars.

Q: Are there common errors in time and effort reporting that I can avoid?

A: Yes. Some examples are:

- Failing to recognize that a change in position, duties, or funding may result in a change in time and effort reporting. Often this is due to a lack of coordination/communication between fiscal, central program, and school building offices within the district.
- Failing to provide training to staff who are responsible for completing, approving, and/or reconciling time and effort documentation.
- Reporting time according to the ratios budgeted without regard to how the individual actually worked.
- Failing to adjust actual payroll charges based on reported time and effort when the difference is less than 10%. This 10% standard applies to adjustments of budgeted payroll on a quarterly basis but does not waive the requirement for an annual expenditure adjustment to match time and effort.
- No independent review by someone other than the employee/supervisor to ensure that necessary payroll adjustments are performed to reflect actual time worked.

Q: Are there common errors in time and effort reporting that I can avoid?

A: Yes. Some examples are:

- Time and effort not reviewed and signed by appropriate staff
- Entire day's schedule not accounted for (only federal time reported)
- Accounting adjustments transferring payroll expenditures to federal programs (from state/local sources) with no supporting time and effort documentation
- Lack of appropriate time and effort records for employee(s) with supplemental contracts/stipends and extra hours
- Lack of appropriate time and effort records for employee(s) charged to federal awards received from an agency other than the SDE

These problems can be costly to your district. They result in:

- Inappropriate charges to federal programs.
- Inaccurate management information for decision making.
- Increased risk of audit findings/questioned costs.

Q: Where can I find the applicable regulations/rules/other guidance?

A: OMB Circular A-87, Attachment B, Section 11h. OMB Circular A-87 can be found online at: www.whitehouse.gov/omb/circulars/a087/a087-all.html

Q: Who should I contact at the State Department of Education if I have questions?

A: You can contact Julie Oberle, Public School Finance Coordinator, at (208) 332-6846 or JAOberle@sde.idaho.gov, or you can contact Marcia Beckman, NCLB Director, at (208) 332-6953 or MMBeckman@sde.idaho.gov.

Helpful Education Websites

- Idaho State Department of Education: www.sde.idaho.gov
- Idaho Financial Accounting Reporting Management System (IFARMS):
www.sde.idaho.gov/site/finance_tech/ifarms_forms.htm
- Thompson's Website: www.thompson.com
- National Association of Federal Education Program Administrators:
www.nafepa.org
- OMB Circulars: www.whitehouse.gov/omb/circulars/index.html
 - OMB Circular A-21: Cost Principals for Educational Institutions:
www.whitehouse.gov/omb/circulars/a021/a21_2004.pdf
 - OMB Circular A-87: Cost Principals for State, Local, and Indian Tribal Governments:
www.whitehouse.gov/omb/circulars/a087/a87_2004.pdf
 - OMB Circular A-122: Cost Principals for Non-Profit Organizations:
www.whitehouse.gov/omb/circulars/a122/a122_2004.pdf
 - OMB Circular A-123: Management's Responsibility for Internal Controls:
www.whitehouse.gov/omb/circulars/a123/a123_rev.pdf
 - OMB Circular A-123 Implementation Guide:
www.cfoc.gov/documents/Implementation_Guide_for_OMB_Circular_A-123.pdf
 - OMB Circular A-133: (Single Audit Act) Compliance: Supplement:
www.whitehouse.gov/omb/circulars/a133/a133.pdf
- US Department of Education: www.ed.gov
 - List of USDE Programs:
www.ed.gov/programs/find/title/index.html?src=ov
 - IDEA Website: <http://idea.ed.gov/>
 - EDGAR: www.ed.gov/policy/fund/reg/edgarReg/edgar.html
 - NCLB Website: www.ed.gov/nclb
- USDE Guidance: www.ed.gov/policy/elsec/guid/edpicks.jhtml?src=In
 - School Choice Guidance:
www.ed.gov/policy/elsec/guid/schoolchoiceguid.pdf
 - Charter School Program Guidance:
<http://www.ed.gov/policy/elsec/guid/cspguidance03.doc>
 - Title I Fiscal Guidance (New):
www.ed.gov/programs/titleiparta/fiscalguid.doc
 - Designing Schoolwide Programs Guidance:
www.ed.gov/policy/elsec/guid/designingswpguid.doc
 - Standards for Internal Control in the Federal Government:
www.gao.gov/special.pubs/ai00021p.pdf
 - NCES Manual: Financial Reporting:
http://nces.ed.gov/pubs2004/h2r2/ch_5_1.asp
 - NCES Manual: Financial Accounting for State and Local School Systems:
<http://nces.ed.gov/pubs2004/h2r2/appendixE.asp>
 - School Improvement: www.ed.gov/admins/lead/account/ayp203/edlite-slide012.html
 - Title I: Non-public School Resources Tool Kit:
www.ed.gov/programs/titleiparta/ps/titleitoolkit.pdf

- Supplemental Educational Services:
www.ed.gov/policy/elsec/guid/suppsvcsguid.pdf
- Vendor Selection: www.epls.gov
- Congressional and GAO Websites:
 - House Committee Members:
<http://energycommerce.house.gov/membios/110fullmship.shtml>
 - Senate Committee Members:
<http://finance.senate.gov/sitepages/committee.htm>
 - GAO Report on Corrective Action and Restructuring
www.gao.gov/cgi-bin/getrpt?GAO-07-1035
 - FERPA Proposed Regulations:
<http://a257.g.akamaitech.net/7/257/2422/01jan20081800/edocket.access.gpo.gov/2008/pdf/E8-5790.pdf>